

SPAWARINST 11016.2D  
SPAWAR 221-1  
4 February 1992

SPAWAR INSTRUCTION 11016.2D

From: Commander, Space and Naval Warfare Systems Command

Subj: ACCOUNTABILITY FOR PLANT AND MINOR PROPERTY

Ref: (a) NAVCOMPT Manual, Volume 3, Chapter 6  
(b) NAVCOMPT Manual, Volume 8, Chapter 5  
(c) SECNAVINST 5500.4F  
(d) SPAWARINST 4401.1E  
(e) SPAWARINST 10290.2C

Encl: (1) Commanding Officer Verification Form

1. Purpose. To establish standard, property management procedures for class 3 and 4 plant property and minor property as provided by references (a) through (c).

2. Cancellation. SPAWARINST 11016.2C.

3. Scope. This instruction applies to SPAWAR headquarters and activities.

4. Background. Property management has always been an important element of the Navy management process. A rising inventory of expensive and portable equipment within the SPAWAR community has created the need for a more effective property management control reporting system. A requirement to strengthen minor property procedures as stated in recent changes to references (a) and (b) necessitate the establishment of a common-method property management system for plant and minor property.

5. Definitions

a. Plant Property. Applies to property with an acquisition cost of \$5,000 or more as defined in reference (a), paragraphs 036301 and 036401.

(1) Class 3 plant property is all equipment other than industrial plant equipment, land, and structures.

(2) Class 4 plant property is industrial plant equipment.

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b. Minor Property. Applies to property costing less than \$5,000 and having a minimum cost of \$300. All classified, sensitive, and pilferable property will also be classified as minor property regardless of cost as specified by reference (a), paragraph 036700-2.

c. Project Material. Applies to material acquired to be used in the construction of an equipment or system for eventual installation at another activity, ship, or location. Project material is categorized by how it is used within an activity and not by what type funds were used to procure the material. Reference (a), paragraph 036203-16a applies. Reference (d) provides guidance for the control of project material.

d. Pilferable Property. Applies to minor property under the \$300 minimum threshold which is easily transportable, concealable, and convertible to personal use. Examples of pilferable property which will be included in the property management reporting system as minor property include portable power tools, cameras, binoculars, and other material with an estimated useful life of two years or more. Other items which are pilferable in nature but do not meet the above criteria will be controlled through such means as locked cabinet storage, supervisory oversight for issue, and personal protection from theft, but need not be included within the property management reporting system. These include items which are inexpensive and have an estimated useful life expectancy of less than two years.

e. Property Management Reporting System. Applies to the automated system developed and implemented by an activity which is used to provide material accountability to plant, minor, and project property.

f. Property Administrator. Applies to the individual responsible for the overall control and accountability of plant and minor property and the property management reporting system at an activity.

g. Property Custodian. Applies to the primary user of an equipment.

h. Material on Loan. Government property which has been authorized for primary custodian use as off-site personal property without compensation with the understanding that it be returned to the government in a condition as good as when loaned; reasonable wear and tear excepted.

6. Policy

a. Material accountability of class 3 and 4 plant, minor and pilferable property will be maintained on a property management reporting system to provide a safeguard from fraud,

waste, and abuse of government property. The property management reporting system will include records on material on loan to government personnel.

b. A physical inventory of plant, minor, material on loan, and pilferable property will be scheduled and conducted every three years. SPAWARHQ and subordinate activities completed a triennial physical inventory 30 September 1990 and will complete a triennial inventory every three years thereafter as prescribed by reference (a).

c. All personnel are expected to become familiar with the procedures of the property management reporting system and proper methods of safeguarding property. Activities will ensure there is an adequate program of familiarization, orientation, and training to carry out this policy. Property custodians must sign for all property prior to possession and notify the property administrator (or accountable officer, as applicable) immediately of any location or accountability changes.

d. SPAWAR headquarters and activities will include in the performance appraisal for equipment custodians a review of the custodian's effectiveness in accomplishing equipment accountability responsibilities. This will be accomplished through the use of an appropriate generic element on the Alternative Performance Appraisal System (APAS) form. Activities not using APAS will appraise equipment custodians' performance through the use of a similar generic element.

7. Determining Property That Should Be Entered Into The Minor Property Management System. As a minimum, all furniture, fixtures, or office equipment costing \$300 to \$4,999 and all equipment that is classified, pilferable, or sensitive will be monitored through the minor property management system as prescribed by reference (a). Organizational issue material will be controlled as specified by reference (e).

8. Property Management Requirements. As stated in paragraph 6, property will be managed through a property management reporting system which will include but is not limited to the following organizational and procedural requirements:

a. The triennial physical inventory team(s) shall consist of personnel independent of the persons accountable for the property.

b. A property administrator (PA) shall be designated at an organizational level sufficient for adequate management control.

c. A formally defined network of custodians shall be assigned who have responsibility for individual items of property. The principal purpose of the custodian network

shall be to assist the PA in administering control and accountability of plant and minor property.

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d. A receipt or similar document shall be employed to assign accountability for property to a property custodian. A receipt or similar document shall also be employed for material on loan to government personnel for off-site use. The material on loan receipt shall include specific dates for the date of the initial loan, length of the loan (may not exceed a one-year period), reason for the loan, and return date.

e. Missing, lost, stolen or recovered items shall be reported in compliance with reference (b). The Approving Officer for all Reports of Survey (DD Form 200) will ensure that a copy of the completed Report of Survey is provided to the Security Officer.

f. A tag, plate, or other method of marking with a unique property control number shall be attached to all plant and minor property as defined in reference (a), paragraphs 036204 and 036701-4.

g. Formal procedures shall be established to transfer property accountability upon the change of a custodian.

h. An inventory list shall be provided to custodians on an annual basis for property for which they are responsible. The inventory list will be used for performing an informal inventory to ensure accuracy of information and transferring accountability for property upon the change of custodians or locations.

i. Acquisition, disposition, and transfer records shall be maintained in the property management reporting system.

j. Formal procedures for the accountability of property removed from an activity on a temporary basis shall be established and maintained. Provisions for loan authorizations shall be in accordance with reference (b)) paragraph 085179-6. Loan authorizations will be maintained by a property administrator.

k. Minimum information maintained by the PA:

(1) Property control number (locally assigned)

(2) Description of item by nomenclature

(3) Model number, serial number, manufacturer

(4) Custodian

(5) Location

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(6) Acquisition date

(7) Acquisition cost

(8) Date of last inventory

(9) Source document number; i.e., standard document number, purchase document number, MILSTRIP

(10) Date of loan to custodian

(11) Authorized loan period

(12) Date of return of property

1. In lieu of the nine-month physical inventory period prescribed by reference (a), SPAWAR activities may request an optional perpetual physical inventory process (an inventory of 1/36 of all property each month) which will be conducted over a three-year period. Upon completion of the 30 September 1990 triennial inventory, those activities desiring approval of the perpetual triennial inventory should submit their request to the Naval Industrial Resources Support Activity via COMSPAWARSYSCOM (SPAWAR 221-1) with a copy to Navy Accounting and Finance Center (NAFC-613) and Chief of Naval Operations (OP-43). Each request will be considered on a case-by-case basis. The request should include, as a minimum, the following:

(1) Random surveys of the validity of the inventory.

(2) The method by which new equipment (regardless of type of acquisition) and unreported equipment is to be plant accounted.

(3) How and when (frequency) reconciliation with the Defense Industrial Plant Equipment Center and the fiscal office is to occur.

9. Project Material. This category of material shall not be intermingled with the class 3 and 4 plant and minor property. However, a similar system will be used to maintain an inventory of this material. Reference (c) provides guidance for the control of project material.

10. Internal Controls. For all property management reporting systems, adequate internal

controls must be established to include as a minimum the following: identification, physical inventory, maintenance of records, physical security, management reports, care, and custody control of property.

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11. Command-wide Management Responsibility. SPAWAR 22 has the command-wide policy and oversight functional responsibility for management of plant and minor property management systems. SPAWAR 22 shall ensure that the systems function as intended through SPAWAR Inspector General (IG) visits. Point of contact at SPAWAR can be reached at AUTOVON 332-3361 or commercial (703) 602-3361.

12. Action

a. SPAWAR headquarters and activities shall:

(1) Establish and maintain a plant and minor property management reporting system in accordance with guidance provided in this instruction and reference (a).

(2) Publish an appropriate instruction(s) within 90 days of the date of this instruction.

(3) Provide orientation, familiarization, and training appropriate to the work force involved.

(4) Include in the performance appraisal for equipment custodians a review of the custodian's effectiveness in accomplishing equipment accountability responsibilities.

(5) Sign enclosure (1) and send it to the Commander, Space and Naval Warfare Systems Command upon completion of all physical triennial inventory actions required by this instruction. SPAWAR 08 shall certify completion of SPAWARHQ triennial inventory actions by memorandum to the Commander (with a copy to SPAWAR 221-1) to signify compliance with this instruction.

b. The SPAWAR Inspector General shall incorporate reviews of the plant and minor property management reporting system and controlled pilferable property into the Command Inspection planning.

c. Command Evaluation and Management Control officials shall ensure that reviews of plant and minor property and controlled pilferable property are included in their programs as appropriate.

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R. H. AILES  
Rear Admiral, U.S. Navy

Distribution:  
SPAWAR List 2  
SNDL Part II

SPAWARINST 11016.2D  
4 February 1992

From: Commander/Commanding Officer, (Activity Name)  
To: Commander, Space and Naval Warfare Systems Command

Subj.: PLANT AND MINOR PROPERTY

Ref: (a) NAVCOMPT Manual, Volume 3, Chapter 6  
(b) NAVCOMPT Manual, Volume 8, Chapter 5  
(c) SPAWARINST 11016.2D  
(d) SECNAVINST 5500.4F

1. I verify compliance with the triennial physical inventory of all plant and minor property as required by references (a) through (c) procedures. A reconciliation between the physical inventory and fiscal office records has been conducted with a survey completed for each missing item(s). A Missing, Lost, and Stolen Property Report (M-L-S-R) has been completed for all appropriate items with a copy sent to SPAWAR 08H in accordance with reference (d).

Commander/Commanding Officer  
Signature

Copy to:  
COMSPAWARSYSCOM (SPAWAR 221-1)

Enclosure (1)